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ABSTRACT

Noting that 2002 was marked by substantial increases and then reductions in child care funding, this document updates the 2001 primer providing information on child care in New York City, including information on demographics and eligibility for subsidized child care, infant and toddler care, the universal pre-kindergarten initiative, and early childhood teacher salaries. Statistical information is presented in tabular and graphic formats in six sections: (1) demographics and eligibility for publicly subsidized child care; (2) administration for children's services; (3) human resources administration; (4) infant and toddler care; (5) universal pre-kindergarten; and (6) early childhood teacher salaries. Among the major findings, the report notes that universal pre-kindergarten provided the only substantial increase in early education services in New York City in 2002. In fiscal year 2002, funding for child care for low-income families in New York City was increased by $71 million over fiscal year 2001, but was later cut and replaced with new federal and state funds. Child care for infants continues to be in critically short supply. Regulated child care is not affordable for many families. The Agency for Child Development continues to maintain a long waiting list for subsidized child care. Families receiving child care benefits from the Human Resources Administration continue to rely on informal child care. Teacher salary differentials continue to make it difficult to retain qualified teachers in early childhood programs. Master's level teachers, employed by the City in early childhood centers, earn 54 percent less than teachers employed in New York City public schools, after 10 years of services. (KB)

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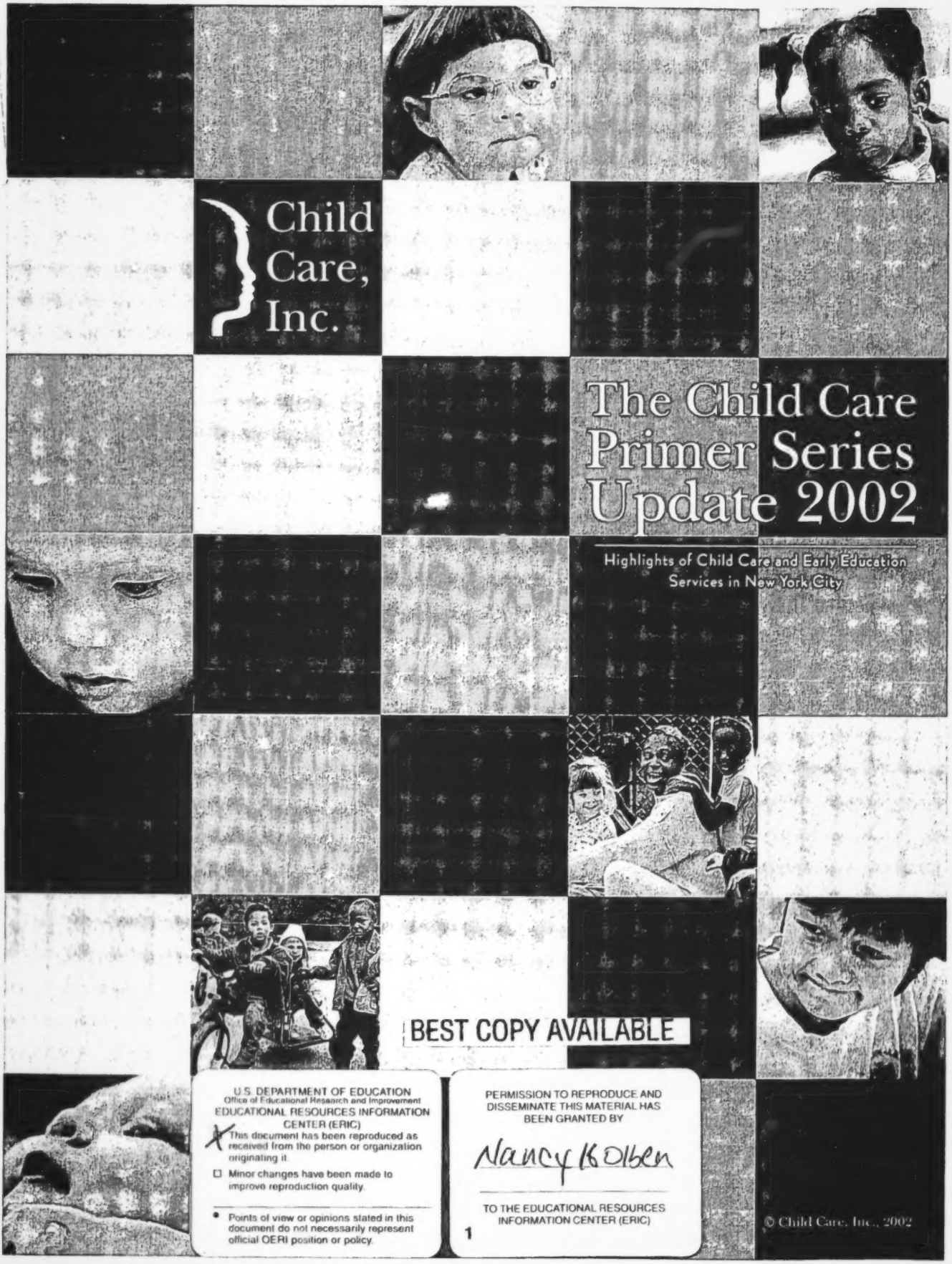
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About Child Care, Inc.

Child Care, Inc. works to ensure access to high quality, affordable early care and education services for every family who needs them. We carry out our mission through diverse, well-integrated program and policy initiatives. As one of the first child care resource and referral agencies in the country, CCI's 27-year presence in the field has given us a thorough understanding of the diverse early care and education communities. We provide a wide array of consultation and referral services to parents seeking early care and education programs, before and after school programs, and family child care providers. We also provide significant resource development activities and technical support services as well as training to new and potential child care providers and programs. Through our work on the local, state and national levels, Child Care, Inc. serves as a catalyst for strengthening public policies that support quality early care and education.

Child Care, Inc. is supported by grants and contributions from private foundations, corporations and government agencies, fee for service contracts and membership dues.

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The Child Care Inc. Primer Series, Update 2002

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2002 Primer Update: Highlights

The 2002 Primer reflects the changes in child care funding enrollment and eligibility. It functions as an addendum to the 2001 Primer. This past year was marked by substantial increases and then reductions in child care funding, resulting in freezing the expansion made possible by new resources.

- In FY2002, funding for child care for low-income families in New York City reached $547 million, an increase of $71 million from FY2000. These funds were projected to provide child care services to an additional 10,000 children. By the middle of the fiscal year 2002, New York City had reduced its contribution to child care funding by more than $80 million, replacing current city funds with the new federal and state funds. In the FY 2003 budget, $24 million of this cut was restored.

- Universal PreKindergarten provided the only substantial increase in early education services in New York City last year. The UPK program expanded by just over 5,000 children in school year 2001-2002.

- Child care for infants continues to be in critically short supply. Only twelve percent (12%) of Agency for Child Development (ACD) funded child care is designated for children under age three. Overall, New York City has enough regulated child care slots to serve a maximum of only twenty percent (20%) of children under three that need out-of-home care.

- Regulated child care is not affordable for many families. Currently, a family of four with an income of $39,713 is eligible for a child care subsidy, if funding is available. According to the Self Sufficiency Standard for New York City, this family would need to earn $54,950 to pay for child care, without cutting into other basic needs.

- ACD continues to maintain a long waiting list for subsidized child care. ACD reported serving 61,533 children with 27,858 on the waiting list, as of June 2001.

- Eligible families earning above $18,000 per year, have extremely limited access to subsidies. Seventy-three percent (73%) of the 43,793 children in contracted care are in families with incomes below $18,000 per year. Of the 17,760 receiving child care vouchers, sixty-five (65%) earn less than $18,000.

- Families receiving child care benefits from the Human Resources Administration (HRA) continue to rely on informal child care. Eighty-four percent (84%) of the child care paid for by HRA is provided in informal settings, where there are few regulations and training requirements.

- Teacher salary differentials continue to make it difficult to retain qualified teachers in early childhood programs. Master's level teachers, employed by the City in early childhood centers, earn 54% less than teachers employed in New York City public schools, after ten years of service.

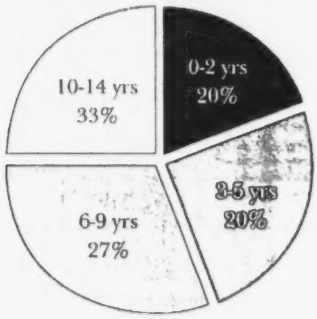
* For more information or to order the 2001 Child Care Primer, call (212)929-7604 x3011.

New York City's Children

Year 2000 Census Data

- The number of infants and toddlers decreased by 4% from 1995 to 2000. There was a 15% increase in the number of school-age children during this period.
- Just over one-third of New York City children live in Brooklyn.

New York City Child Population by Age Group, 1995[1] & 2000 (Birth through 14)



Age Group	1995	2000	Change	Percent Change
0-2	337,908	323,551	-14,357	-4.3%
3-5	328,528	328,872	344	0.10%
6-9	412,416	449,570	37,154	9%
10-14	461,521	530,816	69,295	15%
Total	**1,540,373**	**1,632,809**	**92,436**	**5%**

New York City Children Under Age 5 by Borough, 2000

Borough	Children 0-5	% of Children
Bronx	109,732	20%
Brooklyn	182,599	34%
Manhattan	76,048	14%
Queens	142,716	26%
Staten Island	29,783	6%
Total	**540,878**	**100%**

Sources: Children's Defense Fund, *2000 Census of Population Provisional Population Estimates by Age and Sex, New York State*, New York City and Upstate, October 2001.

New York State Department of Health, Bureau of Biometrics.

U.S. Census Bureau, Census 2000.

[1] Based on 1990 Census figures

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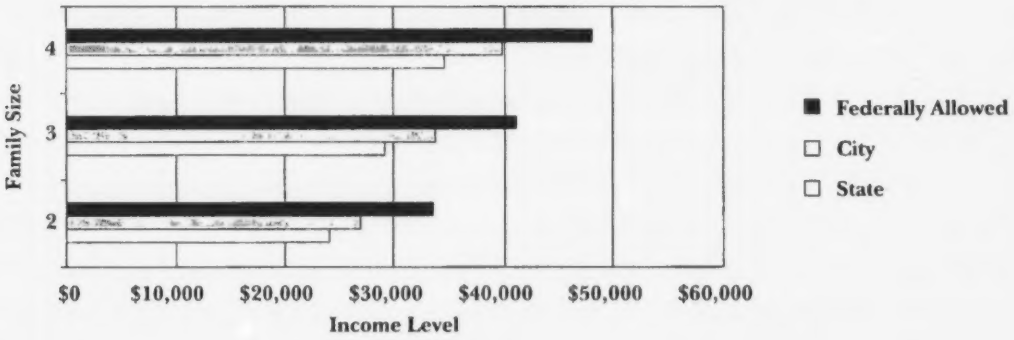
Eligibility for Early Care and Education Programs

- New York State sets its eligibility ceiling for child care subsidies at 200% of the Federal Poverty Level ($35,300 for a family of four).
- Federal law allows States to set eligibility at 85% of the State's Median Income, SMI ($48,571 for a family of four).
- New York City uses city funding to pay for higher eligibility levels for subsidized care than those adopted by New York State (225% of the FPL for a family of four or $39,713).
- Universal Pre-Kindergarten programs are open to four-year-old children, regardless of income. Priority is given to the economically disadvantaged.
- Head Start eligibility is set at the Federal Poverty Level ($17,650 for a family of four) with 10% enrollment allowed for families over income eligibility.

Subsidized Care: Current Federal, State and New York City Eligibility Standards



State Medium Income (SMI) and Federal Poverty Level (FPL) 2001: Family Income at Select Percentages

SMI 2001	Family of Two	Family of Three	Family of Four
100%	$38,857	$47,999	$57,142
85%	$33,028	$40,799	$48,571
60%	$23,314	$28,800	$34,285
50%	$19,428	$24,000	$28,571

FPL 2001	Family of Two	Family of Three	Family of Four
275%	$31,928	$40,233	$48,538
225%	$26,123	$32,918	$39,713
200%	$23,220	$29,260	$35,300
100%	$11,610	$14,630	$17,650

Sources: SMI: Federal Register, March 9, 2001. Vol. 65, No. 47, pp. 12555–12556. FPL: Department of Health and Human Services.

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Federal Poverty Level[2] and the Self-Sufficiency Standard

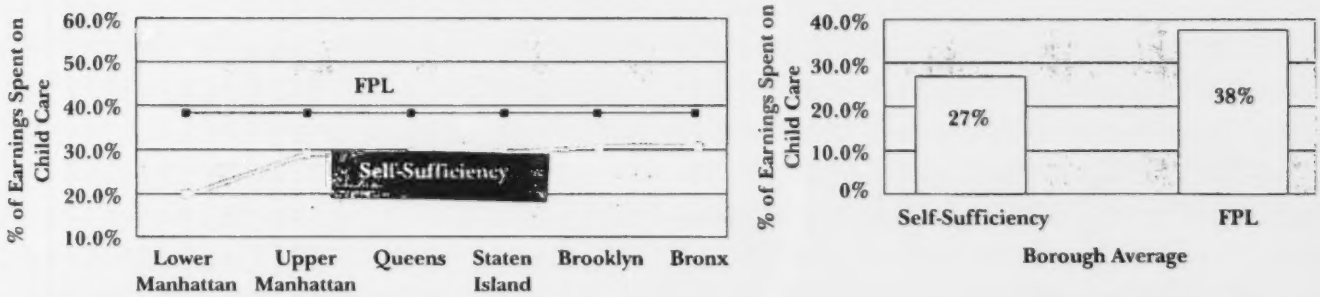
The Self-Sufficiency Standard (SSS), a newly developed family income indicator, calculates the minimum income needed for a family to meet its most basic needs without public assistance. (Example, below, is a family of two adults with an infant and a preschooler.)

- 225% FPL is the income ceiling for subsidized child care for a family of four in New York City. According to the study, a family's income would need to be 331% FPL in order to reach self-sufficiency.
- Families at Self-Sufficiency spend about 25% of their income on child care costs; At 225% FPL they spend about 55%[3], based on New York State market rates for child care.

Annual Earnings for Family of Four for Self-Sufficiency Compared to 225% of the Federal Poverty Level (FPL)

New York City Borough	Self Sufficiency	225% FPL
Bronx	$48,072	$39,713
Brooklyn	49,668	39,713
Lower Manhattan	76,440	39,713
Upper Manhattan	52,872	39,713
Queens	51,672	39,713
Staten Island	50,976	39,713
Average	**54,950**	**39,713**

Child Care Costs as Percentage of Monthly Earnings: For Self-Sufficiency vs. 225% Federal Poverty Level (FPL)[4]



Sources: Fisher, Gordon M., *Social Security Bulletin*, Vol. 55 No. 4, 1992.

Pearce, Diana, The Self Sufficiency Standard for New York, *New York State Self-Sufficiency Standard Steering Committee for Wider Opportunities for Women, September 2000.*

US Census Bureau.

[2] **The Federal Poverty Level (FPL)**, used by the US government since the early 1960s, assumes that families spend 1/3 of their income on food. The total FPL is three times the price of a low-cost, "emergency" food plan, for a given family size, adjusted each year by the Consumer Price Index.

[3] Family of four assumes one infant and one pre-school age child.

[4] Based on same family composition as above. Child care costs are based on Market Rates, the maximum level of payment that New York State will reimburse a provider for care of a child eligible for a subsidy. Market Rates are published as a single citywide rate.

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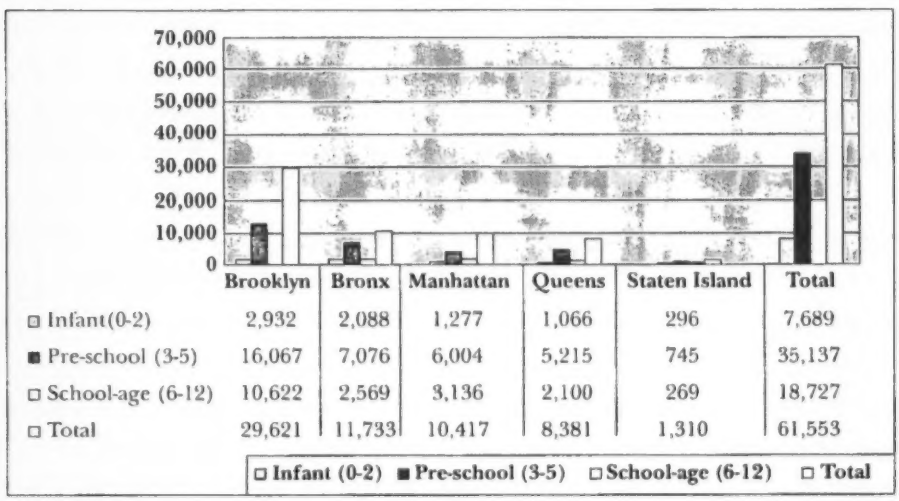
Child Care Funded by the Administration for Children's Services/Agency for Child Development (ACD)

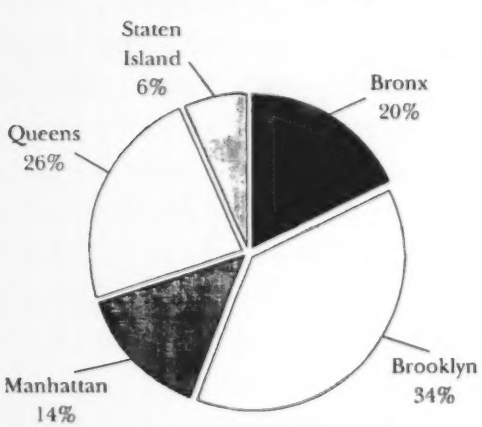
- 61,553 children were enrolled in ACD programs in 2002.
- 34% of New York City children under age five live in Brooklyn, yet Brooklyn children receive 48% of ACD child care services for children under five. In contrast, 26% of New York City children under five live in Queens, but this borough receives 14% of subsidized ACD child care slots.
- 57% of ACD's enrollment is pre-school age children. Only 12% of ACD's enrollment is allocated for children birth through age two.

ACD Enrollment By Age Group, 2002

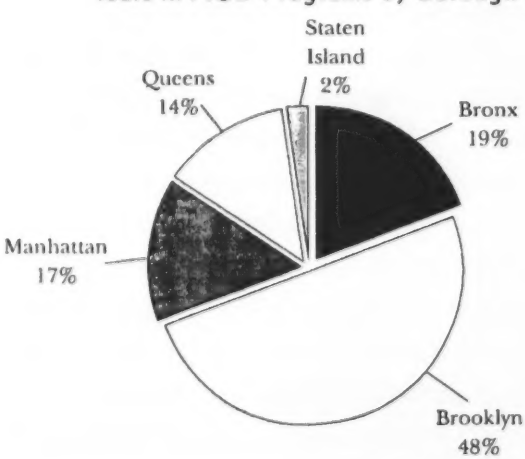


	Brooklyn	Bronx	Manhattan	Queens	Staten Island	Total
Infant(0-2)	2,932	2,088	1,277	1,066	296	7,689
Pre-school (3-5)	16,067	7,076	6,004	5,215	745	35,137
School-age (6-12)	10,622	2,569	3,136	2,100	269	18,727
Total	29,621	11,733	10,417	8,381	1,310	61,553

New York City Children Birth to Five Years by Borough



New York City Children Birth to Five Years in ACD Programs by Borough

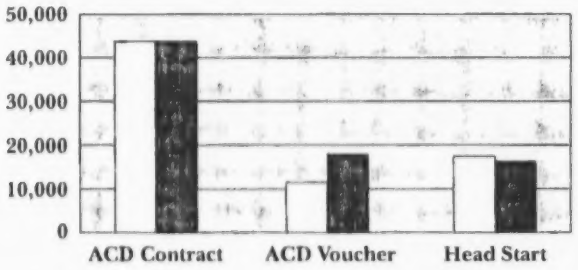


Source: Memorandum from David Fleishmann, Administration for Children's Services/Agency for Child Development February 15, 2002.

Number of Children Enrolled in Administration for Children Services (ACS) Child Care Programs

- 61,553 children were enrolled in ACD funded programs in 2002. ACD contracted care increased by 165 children from 2000 to 2002. ACD vouchers increased by 4,839 children.
- ACD planned to increase child care subsidies by 12,705 children between FY 2000 and FY 2002, according to the Mayor's Management Report. By the third quarter of FY 2002, ACD increased subsidies by only 5,004 children.[5]
- Head Start decreased by more than 200 children from FY 2000 to FY 2001.

ACS/ACD Enrollment, FY 2000 and FY 2001[6]



Children Receiving Subsidized Child Care by Funding Source and Type of Program and Care Total Number of Children Served – FY 2001				
	2000	2001	Change	Percent
ACD Contract	43,839	44,004	165	0.37%
ACD Voucher	12,710	17,549	4,839	27.57%
Head Start	17,356	17,148	-208	-1.21%
Total	**73,905**	**78,701**	**4,796**	**26.73%**

Sources: The City of New York, Mayor's Management Report, FY 2000.

The City of New York, Mayor's Management Report, FY 2001.

[5] David Fleishman, Administration for Children's Services/Agency for Child Development.

[6] From FY 1998 to FY 2000, the number of children receiving ACD child care services decreased by 6,264. (See Child Care, Inc. Primer, 2000, pg. 11).

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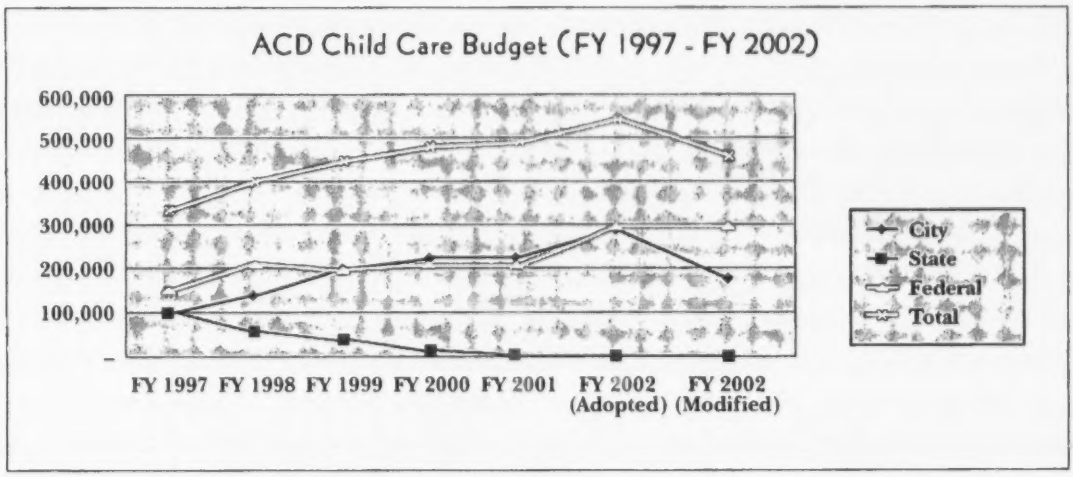
City, State and Federal Budget Expenditures for Child Care (FY 1997 - FY 2002)

- New York City's contribution to child care funding increased consistently until FY 2002 when the city reduced its funding of child care by $80 million, during a mid-year budget modification. The city continued funding the same number of children by replacing city funds with federal expansion funds.
- In the FY 2003 budget, the city restored $24 million of the $80 million cut in child care expansion.



New York City Child Care Expenditures (in 000's)

Fiscal Year	City	State	Federal	Total
FY 1997	$87,625	$83,378	$163,569	$334,572
FY 1998	132,970	50,619	217,257	400,846
FY 1999	206,598	40,612	195,277	442,487
FY 2000	236,454	20,358	219,988	476,800
FY 2001	253,040	11,379	219,709	484,128
FY 2002 (Adopted)	260,119	2,565	284,721	547,405
FY 2002 (Modified)	180,119	2,565	284,721	467,405

Sources: City of New York, Independent Budget Office, July 2000.

City of New York, Office of Management and Budget, August 2000 and 2002 Executive Plan.

Conversations with City Council Finance, August 2000 and May 2002.

Child Care, Inc. Primer, 2002 - *New York City's Children and Families*

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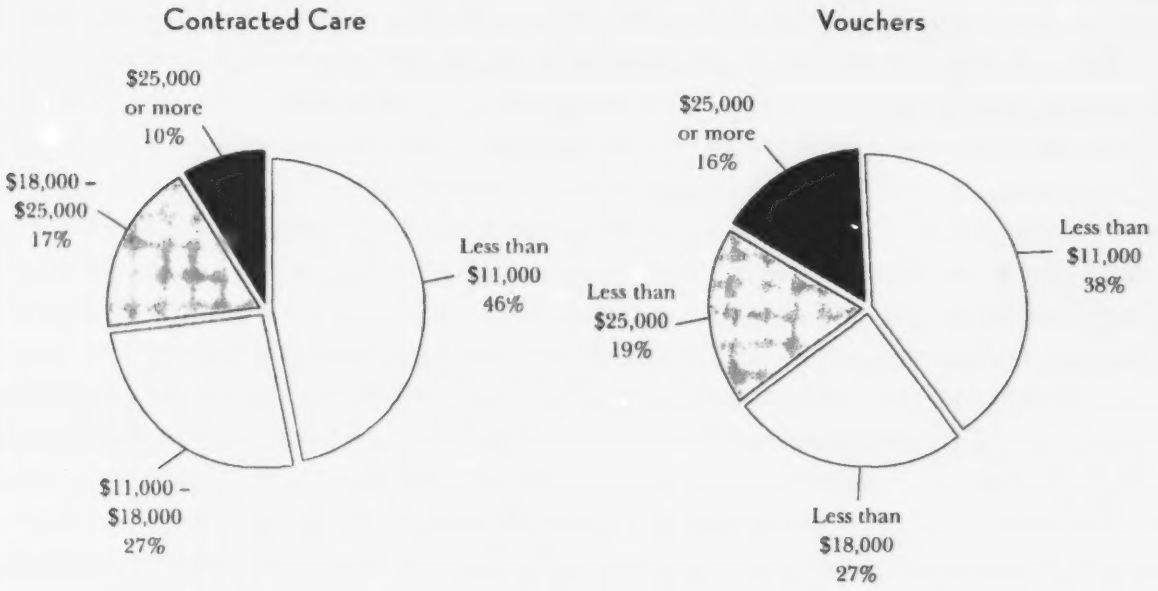
Allocation of ACD Services for Child Care by Annual Income, 2001

- 73% of families, served by ACD contracted child care programs in 2001, earned less than $18,000 per year.
- 65% of families, served by the voucher program in 2001, earned less than $18,000 per year. However, a significant minority (16%) earn $25,000 per year or more.



Family Income	Contracted Care	Vouchers
Less than $11,000	20,206 ..... 46%	6,737 ..... 38%
Less than $18,000	11,749 ..... 27%	4,731 ..... 27%
Less than $25,000	7,638 ..... 17%	3,449 ..... 19%
$25,000 or more	4,200 ..... 10%	2,843 ..... 16%
Total	**43,793**	**17,760**

Source: Memorandum to Amy Cooper from Gordon Kraus-Friedberg, Agency for Child Development, July 19, 2001.

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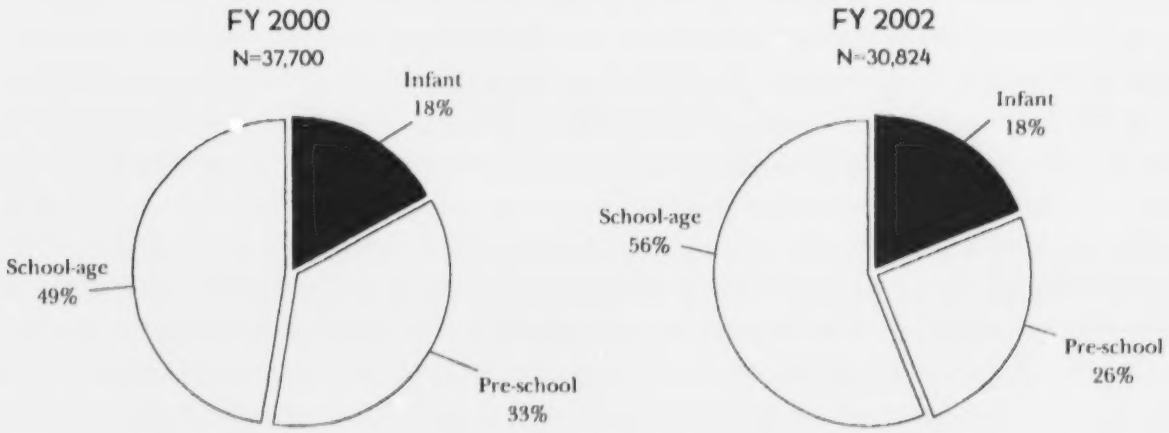
Human Resources Administration (HRA) Child Care Subsidies (FY 2000 - FY 2002)

- HRA purchased care for 30,824 children with parents participating in mandated work activities and training or transitioning from public assistance, in FY 2002.
- Over half of these children were school-age, 26% were preschoolers and 18% were infants.
- Enrollment of school-age children increased by 7% between 2000 and 2002.

By Age Group (FY 2000 & FY 2002)



Duration of Care
FY 2002

Age	Part Day	Full Day	Total
0–2 years	75	5,490	5,565
3–5 years	940	6,857	7,797
6–9 years	8,790	977	9,767
10–14 years	7,299	466	7,695
Total	**17,034**	**13,790**	**30,824**

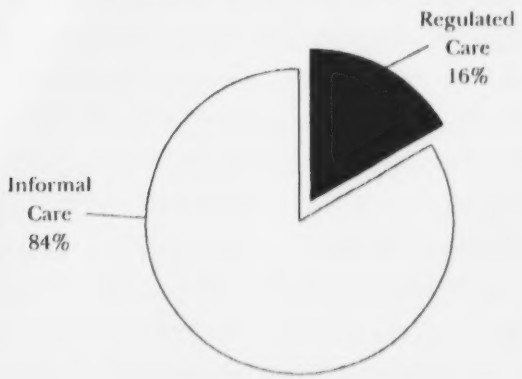
Sources: Memorandum from Kay Hendon, Child Care Liaison, HRA, to Kristen Simpson, Public Policy Coordinator Child Care Inc. January 8, 2002.

The City Of New York Mayor's Management Report, FY 2001.

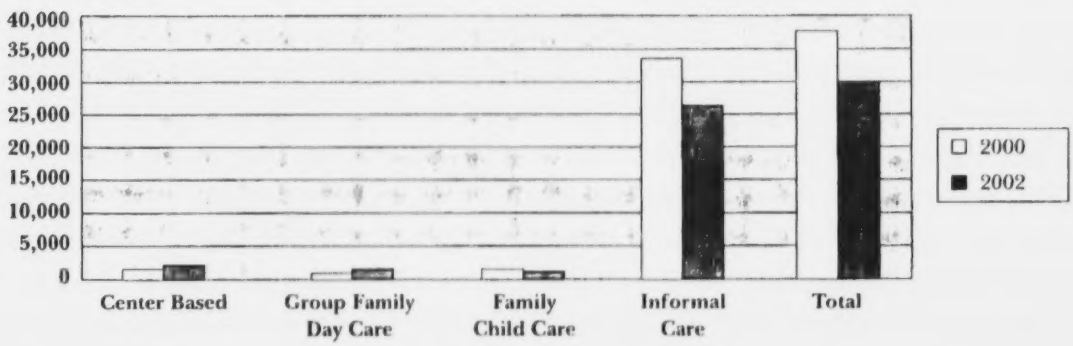
Human Resources Administration (HRA) Child Care Subsidies (contd.) (FY 2000 - FY 2002)

- 84% of the children receiving payments for child care, through HRA, in 2001 were in informal care. This represents a slight decline from 2000, when 89% of the children were in informal care.
- There were 7,544 fewer children receiving child care subsidies, through HRA, in 2002 than in 2000.

Children in HRA Subsidized Care



Children Receiving Subsidized Care Administered by HRA by Type of Care March 2000 & January 2002



Children Receiving Child Care by HRA Enrollment by Type of Care – March 2000 & January 2002

Year	Center Based	Group Family Day Care	Family Child Care	Informal Care	Total
FY 2000	1,567	910	1,404	33,819	37,700
FY 2002	1,948	1,270	1,015	25,923	30,824

Source: Memorandum from Kay Hendon, Child Care Liaison, HRA, to Kristen Simpson Public Policy Coordinator, Child Care Inc. January 8, 2002.

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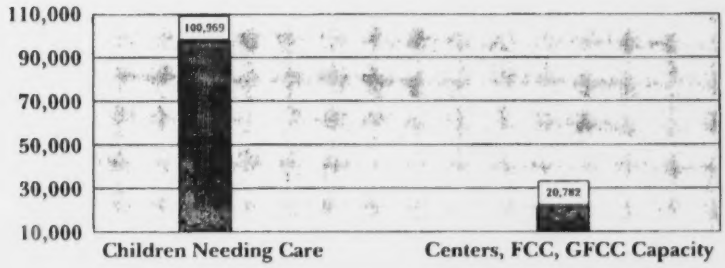
The Shortage of Infant & Toddler Care (estimation birth - two years old)

- There are over 100,000[7] children, ages zero to two, who need out-of-home care while their parents work.
- New York City has regulated child care services for only twenty percent (20%) of infants needing care. Of this capacity, eighty-seven percent (87%) are in group and family day care.

Infants Needing Out of Home Care and Available Capacity



Full-Day Supply for Children (Birth - two years old)

Type of Care	Capacity for Infants	Number of Children
Family Child Care*	A maximum of 2 infants. (7,000 providers)	14,000
Group Family Child Care*	A maximum of 4 children under two. (1,000 providers)	4,000
Centers	(Slots identified through the DOH Database)	2,782
Total		**20,782**
*Based on CCR&R Unified Database, there are approximately 7,000 FCC active providers plus 1,000 GFCC providers.		

Sources: Department of Health (DOH) list of registered programs, June 2000.
CCR&R Consortium Unified Database, September 2000.

[7] See Child Care, Inc. "A Child Care Primer", 2000, page 30 for estimation of need for out-of-home care.

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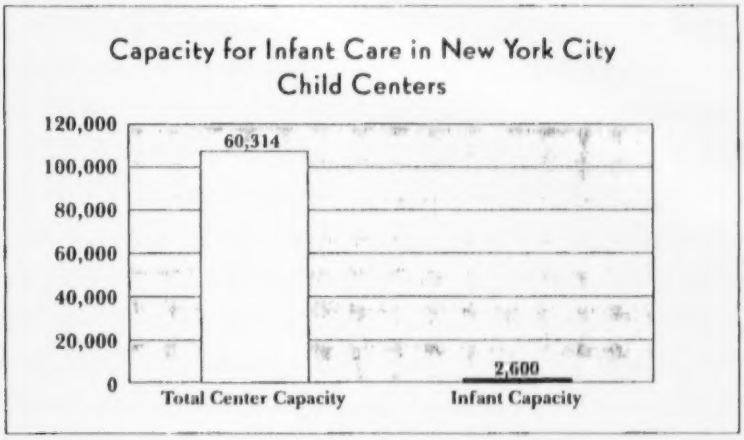
Center-Based Infant Care in New York City

- Of the 60,314[8] full-time slots that exist in New York City child care centers, only 2,600[9] slots are available for infants as young as three months old.



Top 10 Neighborhoods with the Highest Number of Spaces in Child Care Centers for Children Under Age Three

Neighborhood	Zip Code	Spaces
Brooklyn Heights, BK	11201	192
Bensonhurst, BK	11214	103
Castleton Corners, SI	10314	99
Upper East Side, MN	10021	94
East Village, MN	10009	84
Park Slope/Boerum Hill, BK	11217	80
Lincoln Center, MN	10023	77
East Flatbush, BK	11203	76
Upper West Side, MN	10025	74
Midwood/Flatbush, BK	11226	73

Source: A Better Baby Care Agenda: Meeting the Needs of Infants and Toddlers in New York City, Child Care, Inc., May 2002.

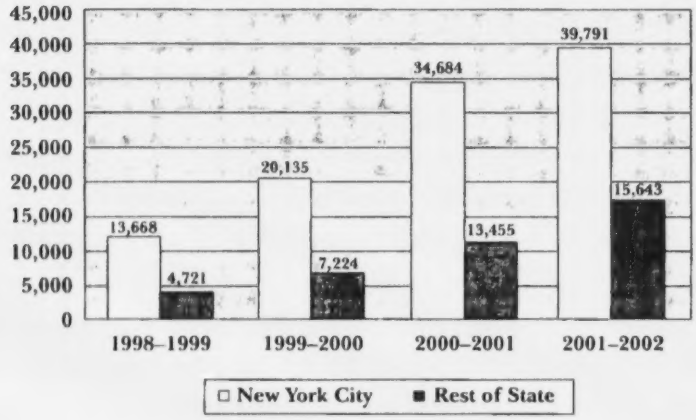
[8] New York City Department of Health, list of licensed programs, June 2000.

[9] Based on a telephone survey conducted by Child Care, Inc., July 2001.

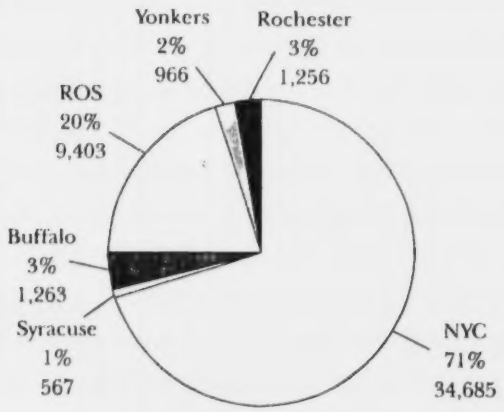
Universal Pre-Kindergarten

- Universal Pre-Kindergarten is a two and a half hour school year program for four-year olds launched in 1998. As of 2001-2002, 55,000 children are enrolled statewide.
- New York City serves 71% of all children enrolled in UPK programs statewide.
- Nearly 70% of UPK programs, in New York City, are in 550 community-based organizations that contract with the New York City Board of Education. Many offer extended-day services.

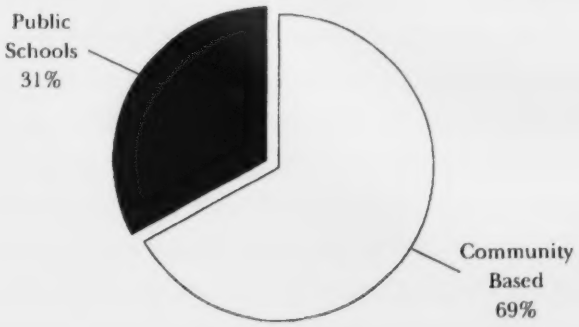
Universal Pre-K Enrollment Statewide



Number of Children Served in Big Five and Rest of State (ROS), 2000 - 01



New York City Enrollment by Type, 2000 - 01



Source: New York State Education Department, March 2002.

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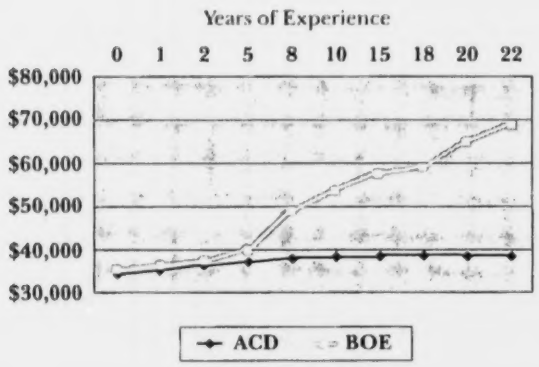
Salary Parity
(as of May 2002)

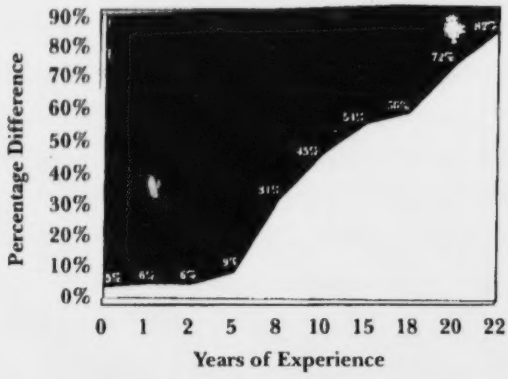
- In the first five years of employment, salaries for state-certified Kindergarten/early childhood teachers employed by the Board of Education (BOE) and the Agency for Child Development (ACD) differ little.
- After 10 years, BOE teachers earn 53,547 or 45% more than teachers in ACD contract centers. After 22 years, this differential climbs to 82%.

Certified Teachers with MA: ACD vs. BOE Salaries[10],[11]



	ACD	BOE
0	$34,362	$36,045
1	34,662	36,684
2	34,979	37,322
5	35,868	39,236
8	36,554	48,152
10	36,814	53,547
15	37,616	58,135
18	37,657	58,952
20	37,657	64,992
22	37,678	68,392

Percentage Pay Difference: ACD vs. BOE (Certified Teachers with MA)



Sources: ACS Advisory Committee, Professional Development Subcommittee. *"Pay Parity Across Systems,"* 3/14/01.
Memorandum from Fred Alexander, Director of DCP Employee Benefits, ACD, 8/9/01.

[10] ACD funded wages vary based on the date when seniority is attained. These figures conservatively assume maximum possible pay increase for ACD teachers.

[11] Beginning in the 2002-2003 school year, BOE certified teachers with a Master's degree will start at 43,786 and earn 76,445 after 22 years.

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